

*Resolved by the General Assembly of Maryland, That the Legislative Council appoint a committee to study the feasibility of instituting off-track betting in Maryland and that the committee report its findings to the 1972 House of Delegates.*

Approved May 6, 1971.

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No. 24

(House Joint Resolution 8)

House Joint Resolution requesting the Congress of the United States to provide for federal revenue sharing among the several states.

One of the most imperative problems before the people of the United States is the need for an intergovernmental sharing of federal revenues with the several states of the Union.

Nothing could be more vital to a strengthening of state government than releasing the states from the binding and restrictive efforts of insufficient revenues for the solution of their many and diverse problems.

The federal government, by an extensive reliance on the graduated income tax as its main source of revenue, has virtually preempted the use of these revenues from state and local governments. The result has been a disabling fiscal imbalance between the federal government on the one hand and state and local governments on the other hand.

Increasing demands upon state and local governments for essential public services have compelled the states to rely heavily on regressive and inelastic consumer taxes and property taxes. Those states that are taxing incomes do so in the main with taxes that are relatively regressive and with low rates.

Federal revenues, on the other hand, being based predominantly on progressive income taxes generally increase significantly faster than economic growth, while the state and local revenues being based heavily upon sales and property taxes do not keep pace with economic growth.

The fiscal crisis at state and local levels has become an overriding problem of intergovernmental relations and of a continuing healthy federal system.

The evident solution to this problem is a meaningful sharing of federal tax resources and particularly of federal income tax revenues.

The case for revenue sharing has been well stated in a memorandum prepared by the Council of State Governments, as follows:

*"I. THE URGENT FISCAL NEED FOR REVENUE SHARING  
State and local tax efforts—*

One of the major contentions of revenue sharing opponents is that states and localities are not adequately tapping available fiscal resources. The facts refute this argument. States have increased